

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 7/12/2016	(3) CONTACT/PHONE Dave Flynn, Deputy Director of Public Works (805) 781-4463	
(4) SUBJECT Submittal of a resolution approving the <i>San Luis Obispo County Self-Help Local Transportation Investment Plan</i> . All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution which approves the content of the <i>San Luis Obispo County Self-Help Local Transportation Investment Plan</i> intended as a November 2016 ballot measure.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. __) <input checked="" type="checkbox"/> Board Business (Time Est. <u>25 min</u> )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 4/19/16, #36	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference:      16JUL12-H-3

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Dave Flynn, Deputy Director of Public Works

Shaun Cooper, Senior Planner, Parks and Recreation Department

VIA: Wade Horton, Director of Public Works

Nick Franco, Director of Parks and Recreation

DATE: 7/12/2016

SUBJECT: Submittal of a resolution approving the *San Luis Obispo County Self-Help Local Transportation Investment Plan*. All Districts.

## **RECOMMENDATION**

It is recommended that the Board adopt the attached resolution which approves the content of the *San Luis Obispo County Self-Help Local Transportation Investment Plan* intended as a November 2016 ballot measure.

## **DISCUSSION**

Over the past thirty years, funding for transportation has shifted away from a statewide distribution toward the implementation of funding developed at the regional level. Traditional funding sources such as gas taxes have not kept pace with system maintenance requirements let alone address capacity and enhancement needs for California. As a result, twenty counties have established "Self-Help" status by enacting local sales tax measures for transportation improvements. The current list of "Self-Help" counties covers about 84% of California's population. Of the remaining counties, about ten are currently working to place a sales tax measure before voters in order to address their transportation needs.

In moving forward on a tax measure proposal, Public Utility Code Section 180206 requires that a Transportation Investment Plan be adopted and presented to the public under the ballot measure. Your Board, and a majority of City Councils, must adopt the Transportation Investment Plan in order to place the measure on the ballot. A transportation sales tax measure then must receive two-thirds voter approval to pass (Public Utility Code 180206(b).)

The San Luis Obispo Council of Governments' board approved a Transportation Investment Plan at their June 1, 2016 meeting. The Plan includes a breakdown of the funding distribution, listing of projects, and programs in which the funds would be expended, and an enacting ordinance providing the governance of the funds. The proposed plan, if adopted, would establish a half-cent sales tax program, for a nine-year term, affecting all cities and the unincorporated areas of the County, resulting in an estimated \$25,000,000 per year.

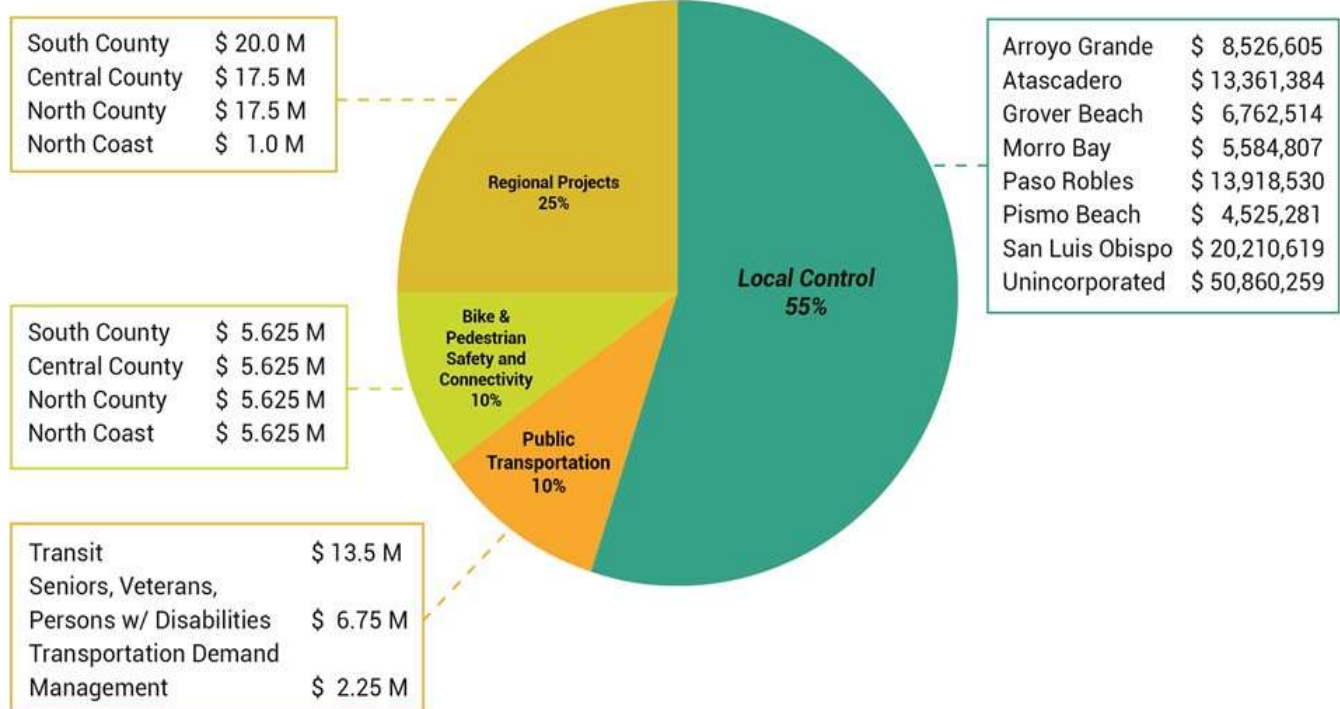
The enacting ordinance of the measure also clarifies responsibilities listed under the Public Utility Code requirements which include:

- Adoption of an administrative code for program implementation
- Define requirements for annual audits and record keeping
- Annual revenue reporting and budget requirements
- Ensure revenue is supplemental to existing transportation funding levels
- Adoption of an oversight committee for program fiscal review
- Management of the adopted Countywide Transportation Investment Plan by the designated Transportation Authority, San Luis Obispo Council of Government (SLOCOG)

The attached “*San Luis Obispo County Self-Help Local Transportation Investment Plan*” includes the proposed funding distributions and designations. The program categories for funding include:

## 9-Year Proposed Investments

*1% max in administrative costs off the top*



9-YEAR PLAN TOTALING \$225 MILLION		Percent of Funds	Fund Allocation (\$ millions)
<b>Local Control</b>	Funds controlled by local jurisdictions with at least 4% for Safe Routes to School	<b>55%</b>	<b>\$123.8</b>
<i>Local Control distributed by formula of \$150k base per jurisdiction, plus share of regional population</i>  <i>Note: Dollar amounts shown in millions reflect amount from a ½ cent sales tax generating \$25M/ year for 9 years; while percent per category would not change, actual amount generated by a local sales tax per year would fluctuate based on local retail sales.</i>	<i>Arroyo Grande</i>	6.9%	\$8.5
	<i>Atascadero</i>	10.8%	\$13.4
	<i>Grover Beach</i>	5.5%	\$6.8
	<i>Morro Bay</i>	4.5%	\$5.6
	<i>Paso Robles</i>	11.2%	\$13.9
	<i>Pismo Beach</i>	3.7%	\$4.5
	<i>San Luis Obispo</i>	16.3%	\$20.2
	<i>SLO County</i>	41.1%	\$50.9
<b>Regional Projects</b>	<ul style="list-style-type: none"> <li>• Shell Beach/Pismo Beach congestion relief on US 101 South</li> <li>• Safety and congestion relief in south SLO City area (Prado &amp; Hwy 227)</li> <li>• North County 101 and 46E congestion relief</li> <li>• North Coast Highway 1 improvements</li> </ul>	<b>25%</b>	<b>\$56.2</b>
<b>Bike &amp; Pedestrian Safety and Connectivity</b>	Regional connectors including: <ul style="list-style-type: none"> <li>• City-to-the-Sea/Bob Jones</li> <li>• Atascadero/Templeton Connector</li> <li>• Morro Bay/Cayucos Connector</li> <li>• Plus local bike/ped improvement program</li> </ul>	<b>10%</b>	<b>\$22.5</b>
<b>Public Transportation</b>	Transit (6%); Improved mobility for Senior, Veterans, Persons w/Disabilities (3%); Transportation Demand Management (1%)	<b>10%</b>	<b>\$22.5</b>
<b>TOTAL</b>		<b>100%</b>	<b>\$225</b>

The Local Control category includes a proposed fund distribution formula based on a \$150,000 minimum allocation per agency with the remainder distributed by a jurisdictions population. Under this proposal, the County would receive about 41% of the revenues provided from this category.

If the plan is adopted, the County would receive approximately \$50 million over the nine-year term of the measure for the Local Control program and could expect an additional \$10-20 million for implementation of regional trails under the Bikes & Pedestrian Safety and Connectivity program

Significant projects included in the Transportation Investment Plan include:

- Approximately \$45 million towards countywide road maintenance
- Community enhancements for pedestrians
- Regional bikeways including:
  - Bob Jones Bikeway
  - Atascadero-Templeton Connection
  - Morro Bay to Cayucos Bikeway
- Highway Corridor Improvements including:
  - Route 227 south of the San Luis Obispo County Regional Airport
  - Route 101 through Pismo Beach

In addition, the Investment Plan includes specific projects and efforts as shown in the attached Local Control Allocation Table, for communities in the unincorporated areas.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

San Luis Obispo Council of Governments, as the regional transportation planning agency, is the authority for the distribution of the funds to individual agencies. The Board adopted a resolution designating SLOCOG as the Local Transportation Authority at the April 19, 2016 Board of Supervisor's meeting.

*The San Luis Obispo County Self-Help Local Transportation Investment Plan* was developed through a comprehensive public outreach program that asked residents to identify their priorities for future transportation programs and projects. Outreach included over 75 meetings with community organizations and leaders representing diverse viewpoints. A series of four focus groups representing the southern, northern and central portions of the county, plus the north coast were conducted along with a statistically valid telephone poll. Additionally, staff worked with local agencies, engaged the County Area Advisory Councils, and made presentations seeking and receiving conceptual support from all cities and the Board of Supervisors in San Luis Obispo County.

SLOCOG staff has indicated they are seeking support of all City Councils for a tax measure to proceed to an election later this year. Results of the City Council votes are as follows:

June 7	Pismo Beach City Council	Approved 4-0
June 14	Morro Bay City Council	Approved 5-0
June 20	Grover Beach Council	Approved 4-0
June 21	San Luis Obispo City Council	Approved 4-1
June 21	Paso Robles City Council	Approved 4-1
June 28	Atascadero City Council	Approved 3-2
June 28	Arroyo Grande City Council	Approved 4-1

A final resolution calling for an election would be required by the Board of Supervisors before the measure could be placed before the voters. If a November 2016 ballot is anticipated, then your Board would need to act on the measure package in July.

The area Advisory Councils have been engaged on the development and progress of the proposed transportation sales tax measure program.

If the tax measure is pursued, the Clerk-Recorder would include the measure on the November ballot at the direction of your Board. The election would include having the Transportation Investment Plan and enacting ordinance mailed to registered voters for information on the ballot measure.

County Counsel reviewed the resolution for legal form and effect.

## **FINANCIAL CONSIDERATIONS**

There is no cost associated with this specific action.

Election costs for the November ballot are estimated to be approximately \$300,000. This includes the cost of the election and the ballot measure information package voter mailer as required by law. SLOCOG will be covering the expenses associated with the election.

If a tax measure is pursued, analysis by SLOCOG has indicated a half-cent sales tax would generate at least \$25 million annually. Administrative costs for implementation would be provided by the supplemental revenue source. Based on the proposed formula for the "Local Control" program

component, the County may expect \$50 million during the duration of the program. These funds would be committed to road rehabilitation, community bike and pedestrian enhancements and “safe routes to schools.” Additionally, the County would administer \$10-20 million for regional trail projects under Bike & Pedestrian Safety and Connectivity program.

As part of transportation tax measure statutes, the intent of the State legislature is to have these revenues to supplement existing funds for transportation. Toward that end, tax measure ordinances contain a “Maintenance of Effort (MOE)” provision. This would be for discretionary General Funds, in addition to Roads related revenues, and would be an amount based on average General Fund contribution by a local jurisdiction over the past three fiscal years which the County would continue to provide to the Road Fund. Exemptions include any extraordinary funding such as “one-time” funding designations adopted as part of the annual budget as adopted by your Board. No escalation clause is expected as part of the MOE for the measure.

The measure also includes establishment of an Oversight Committee, composed of various stakeholders, as well as annual audits to ensure funding expenditures are pursuant to the Transportation Investment Plan.

## **RESULTS**

Execution of this resolution will approve the proposed San Luis Obispo County Transportation Investment Plan intended for use under a November 2016 ballot measure. Adoption of the resolution provides for a well-governed community through potential voter participation.

## **ATTACHMENTS**

1. San Luis Obispo County Self-Help Local Transportation Investment Plan
2. Local Control SLO County Allocation Table
3. Resolution Approving the 2016 San Luis Obispo County Self-Help Transportation Investment Plan

c: Ron DeCarli – SLOCOG  
Nick Franco – Director of Parks and Recreation

File: CF 50.30.02 SLOCOG

Reference: 16JUL12-H-3

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